

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

FIRST SET OF INFORMATION REQUESTS OF THE DEPARTMENT OF
TELECOMMUNICATIONS AND ENERGY TO KEYSpan ENERGY DELIVERY

D.T.E. 05-40

Respondent: John Allocca

Date: August 2, 2005

Information Request DTE 1-6

- Q. Please refer to page 6, lines 3-5, of Mr. Allocca's prefiled testimony. Please discuss why the initial term was set at ten years rather than through the expiration of the existing contracts with Iroquois and Tennessee.
- A. The testimony of Mr. Allocca should be corrected to reflect that the Union Transportation agreement will have a term of 11 years and the TransCanada Transportation Agreement will have a term of 10 years. The initial terms extend beyond the expiration dates of the Tennessee and Iroquois agreements because neither Union nor TransCanada would construct the facilities required to provide the transportation service without transportation agreements with an initial term of at least 10 years. The term of the Union Agreement is 11 years because there was limited capacity available on Union and parties were required to bid for such capacity in terms of rate and duration of service. KeySpan determined that an 11 year bid was appropriate in order to ensure that it would obtain the needed capacity commencing in 2006.